

Star-Bulletin

Thursday, August 29, 1985 A-3

Rewald Blocked Security Check, CIA Man Says

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Ronald Rewald managed to stop a background check on him by the CIA, despite the fact that his role with the agency was expanding, it was disclosed yesterday.

John Mason, a former CIA clandestine operations officer who now works for the agency on contract, said that he suggested to the CIA security office at Rewald's request that no background check be made on Rewald in 1979.

Mason was attempting to set up an emergency "light commercial cover" for a CIA agent using Rewald's company, CMI Corp. Rewald already was providing a cover for CIA agents in the Far East through a fake company called H&H Enterprises.

Mason is the fourth CIA employee to testify at Rewald's federal fraud trial.

He said CIA agent Charles Richardson, using the alias Richard Cavanaugh, needed a commercial cover by the end of June 1979 as part of an East Coast operation.

The cover would allow Richardson to hand out business cards identifying him as an employee of CMI. If anyone called CMI to verify his employment, Rewald would act as a "back-stop," confirming Richardson's association with CMI.

"Richardson had a specific target and believed that there would be some suspicion of his background," Mason said.

THE AGENCY already knew of Rewald's willingness to provide covers because of his association with the Honolulu CIA field office. Rewald had established a close personal relationship with Jack Kindschi, then head of the office.

Kindschi had notified the CIA Cover Staff of Rewald's continuing offer to do more for the agency.

Mason, who worked in the cover division, met with Rewald in Los Angeles in June 1979 in a hotel and discussed Rewald's offer to provide a cover for Richardson. It was at that meeting that Rewald signed a secrecy agreement with the CIA, Mason said.

Despite Rewald's previous clearance through the Honolulu office to hear secret information, Mason said, he had Rewald sign the oath so that he could disclose information about Richardson to Rewald and because Mason still was undercover at the time.

He also told Rewald that he would have to go through another security clearance. Rewald said he was surprised to hear that and said he had never gone through a "formal clearance procedure."

REWALD AGREED to provide the cover for Richardson with the understanding that he only would receive reimbursements for expenses related to the cover up to \$2,000 a year.

But a few days later, Mason said, Rewald called and said he did not want a background check run on him. Rewald explained that he had been named in the newspapers previously as one of the students who spied for the CIA on campuses in the 1960s. He said a formal background check might create "unfavorable attention and publicity."

Had the check been made, the CIA would have learned of Rewald's theft conviction in Wisconsin, that he had lied about being a successful businessman and a graduate of Marquette University.

Because the Richardson cover was needed immediately, Mason agreed to ask the CIA security office to waive the formal background check and keep the check within the agency.

AS A RESULT, the only check made was to contact Kindschi and to run Rewald's name through the national agency computers. The computer check did not turn up the misdemeanor conviction and Kindschi only passed on background information that Rewald had given to him.